

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Squatex Energy and Ressources Inc. (the “Issuer” or “Squatex”)**.

Trading Symbol: **SQX**

Number of Outstanding Listed Securities: **123,850,656 issued and outstanding**

Date: **May 31, 2026**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Squatex Energy and Ressources Inc. (CNSX:SQX) is a Quebec-based exploration company specializing in carbon-neutral drilling for critical minerals and clean energy to reduce greenhouse gas emissions.

In May 2025, in Quebec, an initial series of mining claims has been obtained for three separate blocks covering a total area of 6,185 hectares in southeastern Quebec. The three properties comprise 18 claims covering approximately 1,031 hectares (2,547 acres), 72 claims covering approximately 4,092 hectares (10,111 acres), and 19 claims covering approximately 1,062 hectares (2,624 acres).

In October 2025, Squatex announced a strategic cooperation between the National Geological Survey of Senegal and Squatex Energy and Ressources Inc. / Caron Technologies International Inc.

2. Provide a general overview and discussion of the activities of management.

Squatex intends to strategically position itself in geological areas that offer the greatest potential for the production of this carbon-free energy source. Our team will focus on the search for deep mafic and ultramafic rocks, which are potential sources of hydrogen in areas where they are covered by thick sedimentary layers that allow the accumulation of hydrogen in exploitable porous reservoirs.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

No new drilling, exploration or production in May 2026, but Squatex diversifies its exploration strategy with natural hydrogen targets and announced, in October 2025, the signature of a strategic cooperation with the National Geological Survey of Senegal. No acquisitions of properties in May 2026.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

The Government of Quebec has put an end to the search for hydrocarbons or underground reservoirs, the production of hydrocarbons and the exploitation of brine. Squatex's permits were revoked on August 23, 2022.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

No acquisition or disposition in May 2026.

8. Describe the acquisition of new customers or loss of customers.

No new customers or loss of customers in May 2026.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

No new developments on intangible products.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None

11. Report on any labour disputes and resolutions of those disputes if applicable.

None

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

No new claim in May 2026.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
N/A			

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

In May 2026, a company under common control made a new advance for an amount of \$ 20,000. The amount owed to the company under common control now stands at \$ 1,476,116.

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

None

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated June 2, 2026

René Guimond
 Name of Director or Senior Officer

/s/ René Guimond
 Signature

Vice-President, Finance
 Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/DD
Squatex Energy and Ressources Inc.	May 31, 2026	2026/06/02
Issuer Address 7055, Taschereau Boulevard, suite 500		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Brossard / Quebec / J4Z 1A7	450 466-0772	450 766-0861
Contact Name	Contact Position	Contact Telephone No.
René Guimond	Vice-President, Finance	450 766-0861
Contact Email Address	Web Site Address	
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